

AMENDED IN ASSEMBLY APRIL 24, 2003

AMENDED IN ASSEMBLY APRIL 10, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1237**

**Introduced by Assembly Member Salinas**

February 21, 2003

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An act to add Section 399.5 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1237, as amended, Salinas. Electrical corporations: nonprofit organization energy efficiency improvement program.

Under the Public Utilities Act, the Public Utilities Commission (commission) requires electrical corporations to identify a separate rate component or Public Goods Charge (PGC) to fund programs that enhance system reliability and provide in-state benefits through cost-effective energy efficiency and conservation activities, public interest research and development, and development of renewable resources technology. The PGC for electrical corporations is a nonbypassable element of local distribution service and collected on the basis of usage. Existing law requires the commission through January 1, 2012, to order certain electrical corporations to collect specified amounts, adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as part of the PGC, to fund cost-effective energy efficiency and conservation activities. The commission has oversight over the implementation of the electrical corporation programs to fund cost-effective energy efficiency and

conservation activities. Pursuant to this authority, the commission has ordered the electrical corporations to file program implementation plans.

This bill would require that a program implementation plan filed by an electrical corporation with the commission, and any such plan approved by the commission, for the funding of the energy efficiency and conservation activities, include a program *with a limited participation level*, for energy efficiency improvements at facilities located in California that are owned and operated by nonprofit organizations, as defined, *that exclusively serve customer's meeting commission low-income eligibility requirements*. Because a violation of the Public Utilities Act or an order of the commission is a crime under existing law, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares each of the
- 2 following:
- 3 (a) It is essential to the health and welfare of the people of
- 4 California to encourage nonprofit organizations to reduce their
- 5 energy consumption, thereby saving money and resources which
- 6 they can use in serving the educational and charitable needs of the
- 7 state.
- 8 (b) It is in the public interest to establish an energy efficiency
- 9 improvement program to increase the availability, and to reduce
- 10 the cost, for nonprofit organizations that seek to improve the
- 11 energy efficiency of their facilities and the equipment used at those
- 12 facilities.
- 13 (c) The goal of the act adding this section is to ensure the
- 14 implementation of energy efficiency improvement programs to



1 reduce consumption of energy by nonprofit organizations and to  
2 assist in reducing the costs associated with energy use.

3 (d) With over 900,000 employees and annual budgets totaling  
4 over \$100 billion, California's nonprofit organizations are a  
5 significant factor in the state's economy and energy demand.

6 (e) The implementation of program plans under the act adding  
7 this section would touch the lives of virtually every person in  
8 California because nonprofits serve persons from all walks of life,  
9 socioeconomic groups, political orientations, ethnic backgrounds,  
10 ages, genders, and cultural backgrounds, particularly the  
11 approximately 5,000,000 persons in California that live in poverty  
12 and the 7,000,000 persons without health insurance.

13 SEC. 2. Section 399.5 is added to the Public Utilities Code, to  
14 read:

15 399.5. (a) Any program implementation plan filed by an  
16 electrical corporation with the commission for purposes of this  
17 article, and any such plan approved by the commission, for the  
18 funding of energy efficiency and conservation activities, shall  
19 include a program for energy efficiency improvements at facilities  
20 located in California that are owned and operated by nonprofit  
21 organizations *that exclusively serve customers meeting the*  
22 *commission's low-income eligibility requirements. The*  
23 *commission shall ensure that the program participation level of*  
24 *nonprofit organizations is limited, taking into account both the*  
25 *cost-effectiveness of the services and the policy of reducing the*  
26 *hardships facing low-income households.*

27 (b) As used in this section, "nonprofit organizations" means  
28 tax-exempt charitable organizations operating pursuant to Section  
29 501(c)(3) (26 U.S.C. Sec. 501(c)(3)) of the federal Internal  
30 Revenue Code or an organization found by the commission to be  
31 a nonprofit organization.

32 SEC. 3. No reimbursement is required by this act pursuant to  
33 Section 6 of Article XIII B of the California Constitution because  
34 the only costs that may be incurred by a local agency or school  
35 district will be incurred because this act creates a new crime or  
36 infraction, eliminates a crime or infraction, or changes the penalty  
37 for a crime or infraction, within the meaning of Section 17556 of  
38 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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